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FORM X-17A-5  
PART III

Washington DC  
416

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

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8-53043

REPORT FOR THE PERIOD BEGINNING JANUARY 01, 2016 AND ENDING DECEMBER 31, 2016  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: GAVELIN SECURITIES INC

OFFICIAL USE ONLY  
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

443 PARK AVENUE SOUTH 10TH FLOOR

(No. and Street)

NEW YORK

(City)

NY

(State)

10016

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

LEONARD ROSEN + COMPANY PC

(Name - if individual, state last, first, middle name)

15 MAIDEN LANE

(Address)

NEW YORK

(City)

NY 10038

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

# OATH OR AFFIRMATION

I, John W Sullivan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Javelin Capital Markets LLC, as of February 20 (Dec 31, 2016), 2017, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

*[Signature]*

Notary Public

PATRICIA M VILLANUEVA  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID # 20164014238  
MY COMMISSION EXPIRES 04-13-2020

*[Signature]*  
Signature

CEO Javelin Capital Markets  
Title

Subscribed and sworn to before me in the county of El Paso, State of Colorado on this 22<sup>nd</sup> day of February, 2017.  
Patricia Villanueva, Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

LEONARD ROSEN & COMPANY, P.C.

*Certified Public Accountants*

15 MAIDEN LANE  
NEW YORK, N.Y. 10038

Report of Independent Registered Public Accounting Firm

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Javelin Securities, LLC identified the following provisions of 17 C.F.R. 15c3-3(k)(i) under which Javelin Securities, LLC claimed an exemption from 17 C.F.R. 240.15c3-3(k)(2)(i) and (2) Javelin Securities, LLC stated that Javelin Securities, LLC met the identified exemption provision throughout the most recent fiscal year without exception. Javelin Securities, LLC's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Javelin Securities, LLC's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the conditions set forth in paragraph (k)(2)(i) of rule 15c3-3 under the Securities Exchange Act of 1934.

*Leonard Rosen & Company, P.C.*

New York, NY  
February 27, 2017

LEONARD ROSEN & COMPANY, P.C.

*Certified Public Accountants*

15 MAIDEN LANE  
NEW YORK, N.Y. 10038

**Report of Independent Registered Public Accounting Firm**

The Member  
Javelin Securities, LLC

We have audited the accompanying financial statements of Javelin Securities, LLC which comprise the statement of financial condition as of December 31, 2016, and the related statements of operations, changes in member's equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements. These financial statements are the responsibility of Javelin Securities, LLC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Javelin Securities, LLC as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Schedule 1 - Computation of Net Capital Under Rule 15c3-1 has been subjected to audit procedures performed in conjunction with the audit of Javelin Securities, LLC's financial statements. The supplemental information is the responsibility of Javelin Securities, LLC's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplementary information we evaluated whether the supplementary information, including its form and content is presented in conformity with 17 C.F.R. 240.17a-5. In our opinion, the Computation of Net Capital Under Rule 15c3-1 is fairly stated, in all material respects, in relation to the financial statements as a whole.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company had no gross income for the year 2016 which raises substantial doubt about its ability to continue as a

going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

*Leonard Koren & Company, P.C.*

New York, NY  
February 27, 2017

**Javelin Securities LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**December 31, 2016**

**ASSETS**

Cash	\$	29,524
Other Assets		250
Total Assets		<u>29,774</u>

**LIABILITIES AND MEMBER'S EQUITY**

Accounts Payable	2,000
Total Liabilities	<u>2,000</u>
Capital	
Member's Equity	27,774
	<u>27,774</u>
Total Member's Equity	<u>\$ 29,774</u>

**Javelin Securities LLC**  
**STATEMENT OF OPERATIONS**  
**Year ended December 31, 2016**

Fee Income	\$ -
Forgiveness of Debt	10,442
Total Income	<u>10,442</u>
Operating expenses:	
Finop fees	4,500
Regulatory fees	3,449
Audit fees	3,000
Rent	2,000
Other Expenses	<u>3,511</u>
	<u>16,460</u>
Net Loss	\$ <u>(6,018)</u>

**Javelin Securities LLC**  
**STATEMENT OF CHANGES IN MEMBER'S EQUITY**  
**Year Ended December 31, 2016**

Balance, January 1, 2016	\$	16,292
Net Loss		(6,018)
Contributions from Parent		17,500
Balance, December 31, 2016	\$	<u>27,774</u>



**Javelin Securities LLC 2015**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2016**

Cash flows from operating activities:

Net income	\$	(6,018)
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Contribution from Parent		17,500
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Decrease in Accounts Payable		(12,376)
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Net Cash used in Operations		<u>(894)</u>
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Net decrease in cash during the year		(894)
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Cash, beginning of year		<u>30,418</u>
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Cash, end of year	\$	<u>29,524</u>
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**Javelin Securities LLC**  
**UNIFORM NET CAPITAL RULE 15c3-1**  
**Year ended December 31, 2016**

Capital		
Member's Equity	\$	27,774
Non Allowable Assets		<u>(250)</u>
Net capital	\$	<u>27,524</u>
Aggregate indebtedness	\$	<u>2,000</u>
Computation of basic net capital requirement		
Minimum dollar net capital required	\$	5,000
Net capital requirement	\$	5,000
Excess net capital	\$	<u>22,524</u>
Net capital less greater of 10% of aggregate indebtedness or 120% of minimum net capital required	\$	<u>21,524</u>
Percentage of aggregate indebtedness to net capital		<u>0.0727</u>

There were no differences between the net capital reported by the company in Part 11A of the focus report and these financial statements.

JAVELIN SECURITIES LLC  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

1. Nature of Business

Javelin Securities LLC (the "Company") is a Limited Liability Company engaged in the business of brokering corporate bonds and other debt instruments. The Company introduces the buyer and seller to a clearing broker who clears the trade. The Company has no risk in the eventual settlement of the trade. Under an agreement with the clearing broker, the Company is entitled to receive a share of the commissions charged. On September 27, 2011 the Company changed its name from IDX Derivatives, LLC. At that time the Company was wholly owned by IDX, Capital, LLC. On June 18, 2012, FINRA, approved the change of ownership of the Company by Javelin Capital Markets, LLC. The Company is wholly owned by Javelin Capital Markets, LLC. The Company is registered with the Financial Industry Regulatory Authority ("FINRA") as a Broker Dealer and is exempt from Securities and Exchange Rule 15c3-3 under Section (k)(2)(i).

The accompanying financial statements have been prepared from the separate records maintained by the Company and, due to certain transactions and agreements with the Member, may not necessarily be indicative of the financial condition that would have existed or the results that would have been obtained from operations had the Company operated as an unaffiliated entity.

2. Going Concern

The Company had no gross income for the year 2016 and is in the process of trying to sell the Broker Dealer. In the event that the firm is unable to sell the firm they will file a BDW and withdraw its membership from Finra.

3. Summary of Significant Accounting Policies

A. Revenue Recognition

Commission income (and the recognition of related income and expenses) is recorded on a settlement date basis, generally the third business day following the transaction date. There is no material difference between trade and settlement date.

B. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Company considers demand deposited money market funds to be cash and cash equivalents.

C. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, revenues and expenses.

D. Related Party Transactions

The Company has entered into a management agreement with its Parent Company wherein it is agreed that the Parent Company will provide managerial and administrative assistance. The office lease was entered into by the Parent Company. The agreement provides for a monthly fee of \$250 for the administrative services and \$250 for rent. The firm received 17,500 from the parent in 2016.

4. Income Taxes

As a Limited Liability Company, any income earned is reported by the Member who is liable for the taxes. Therefore, no provision has been made for income taxes in the accompanying Statement of Income.

5. Financial Instruments with Off-Balance-Sheet Credit Risk

As a securities broker, the Company is engaged in arranging for the buying and selling of securities for registered broker-dealers engaged in the business of corporate bond dealers. The Company introduces the buyer and seller of these instruments to a clearing broker for an agreed upon share of commissions.

The Company's exposure to credit risk is associated with non-performance of customers in fulfilling their contractual obligations with each other pursuant to securities transactions entered into.

6. Net Capital Requirement

The Company is subject to the Securities and Exchange Commission's Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 1,500%. At December 31, 2016, the Company's net capital of \$27,524 was \$22,524 in excess of its required net capital of \$5,000. The Company's capital ratio was 7.27%.

7. Reserve Requirement Computation

The Company is registered with FINRA as a Broker Dealer exempt from SEC Rule 15c3-3 under Section (k)(2)(i). Therefore, they are not required to compute 15c3-3 Reserve Requirements.

8. Possession and Control Requirements

The Company is registered with FINRA as a Broker Dealer exempt from SEC Rule 15c3-3 under Section (k)(2)(i). Therefore, they are not subject to Possession and Control Requirements under SEC Rule 15c3-3.

9. Subsequent Events

The Company has evaluated events and transactions that occurred between December 31, 2016 and February 27, 2017, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

LEONARD ROSEN & COMPANY, P.C.

*Certified Public Accountants*

15 MAIDEN LANE  
NEW YORK, N. Y. 10038

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

The Member  
Javelin Securities LLC

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments to the Securities Investor Protection Corporation (SIPC) for the Year Ended December 31, 2016, which were agreed to by Javelin Securities LLC and the Securities and Exchange Commission, Financial Industry Regulatory Authority, and SIPC, solely to assist you in evaluating Javelin Securities LLC's compliance with Rule 17a-5(e)(4).

Management is responsible for the compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed are as follows:

1. Compared the listed assessment payments with respective cash disbursement records noting no exceptions.
2. Compared the amounts reported on the audited form X-17A-5 for the year ended December 31, 2016 with the amounts reported in the Form SIPC-7 for the year ended December 31, 2016 noting no exceptions.
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no exceptions.

4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no exceptions.
5. Compared the amount of any overpayment applied with the Form SIPC-7 on which it was computed noting no exceptions.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than those specified parties.

*Leonard Rosen & Company, P.C.*

February 27, 2017